A0400-1

The Aluminum Situation

ECONOMICS AND STATISTICS — NOVEMBER 1989

SHIPMENTS OF MILL PRODUCTS INCREASE

Net shipments of aluminum mill products for nine months of 1989, reported at 10,058 million pounds, increased 0.1 percent from the nine month 1988 total of 10,052 million pounds.

Total industry net shipments for nine months of 1989, reported at 12,352 million pounds, were down 0.2 percent from the nine month 1988 total of 12,383 million pounds.

Exports of ingot and mill products of 1,685 million pounds are up 35.4 percent from nine months of 1988. Imports decreased 5.8 percent for the same period.

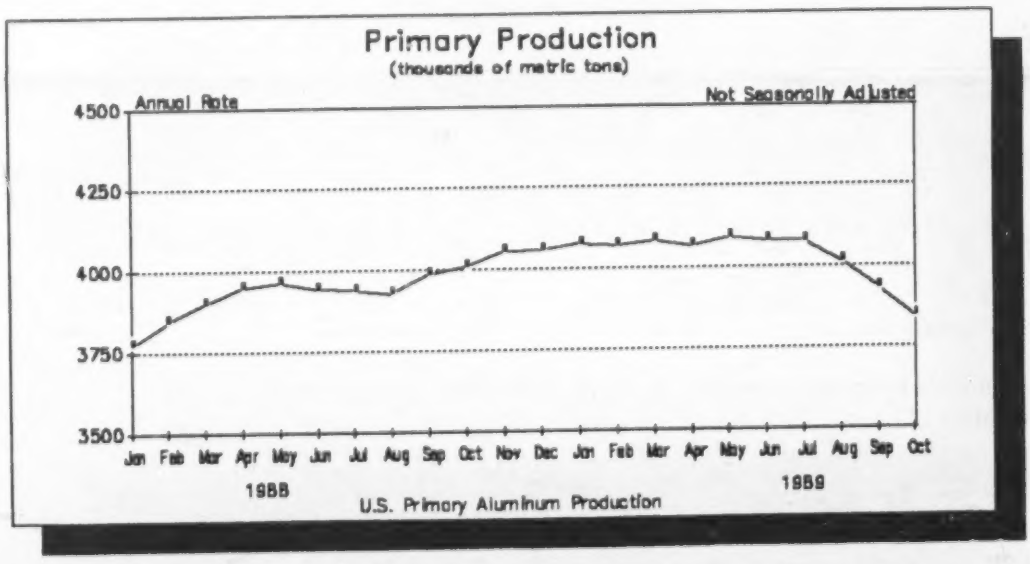
THRU SEPTEMBER 1989

	1989 9 Mos.	1988 9 Mos.	% Change
Mill Products	10,058	10,051	0.1
Ingot	2,294	2,331	-1.6
Total	12,352	12,383	-0.2
Less Exports	1,685	1,245	35.4
Domestic Total	10,667	11,138	-4.2

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

PRIMARY PRODUCTION DAILY RATE ESTIMATED AT 10,529 METRIC TONS

Estimated U.S. primary aluminum production averaged 10,529 metric tons daily during October 1989. This compares with an average of 10,949 metric tons a day in October 1988 and 10,771 metric tons a day in September 1989. The annual rate of production in October 1989 was 3,843,167 metric tons compared with 3,983,751 metric tons in October 1988 and 3,931,342 metric tons in September 1989. Estimated production in October 1989 was 323,124 metric tons.

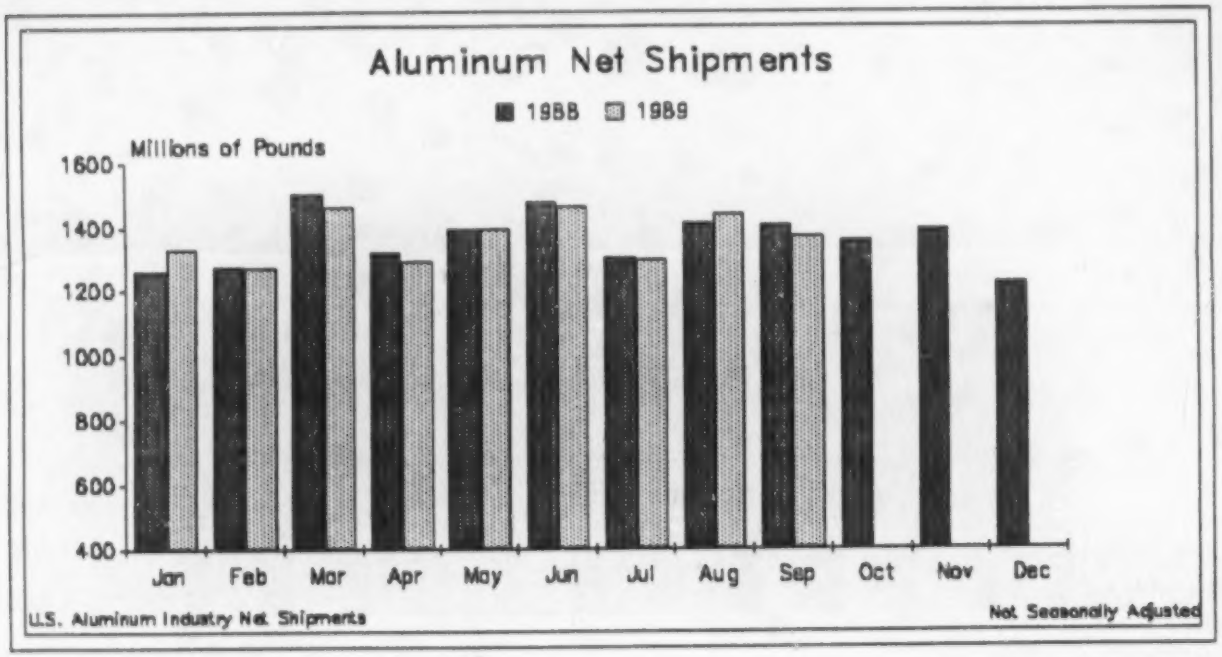


This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

The Aluminum Association
900 19th Street, N.W., Washington, D.C. 20006
Phone (202) 862-5100

INDUSTRY NET SHIPMENTS DECLINE 0.2 PERCENT

Total industry net shipments for nine months of 1989, reported at 12,353 million pounds, were down 0.2 percent from the nine month 1988 total of 12,383 million pounds. Domestic shipments of 10,667 million pounds decreased 4.2 percent from the nine month 1988 total of 11,138 million pounds.

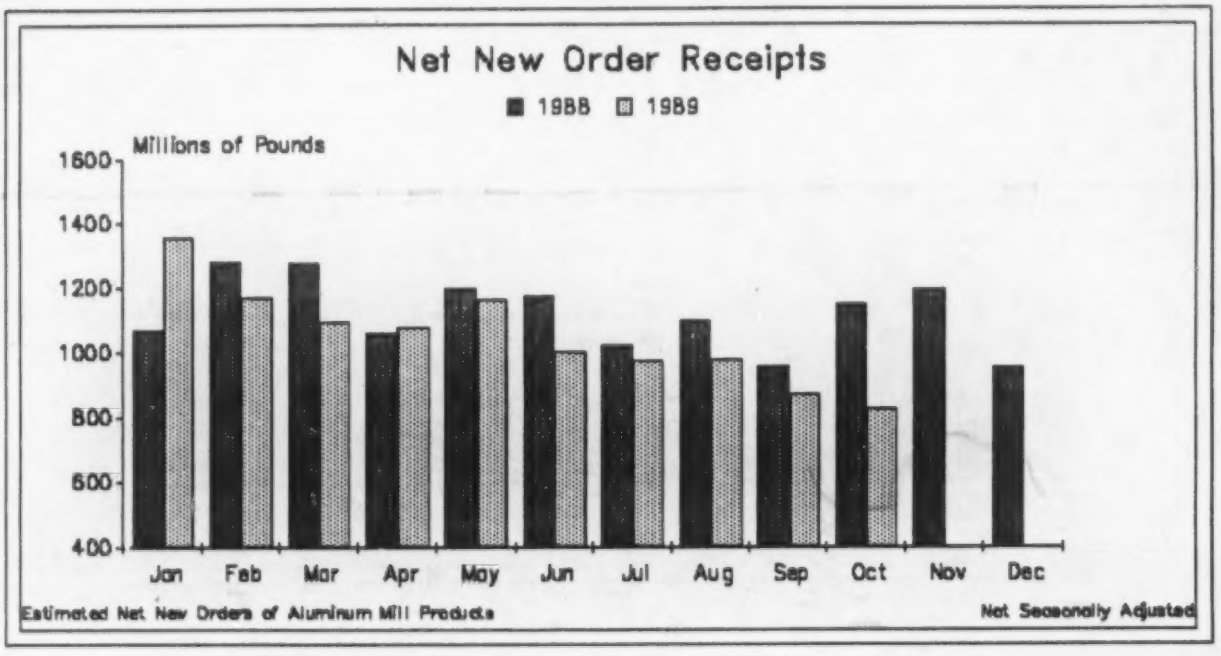


NET SHIPMENTS (Millions of Pounds)	1989 Sept.	1988 Sept.	1989 9 Mos.	1988 9 Mos.	% Change 1989 vs 1988
Sheet	602.3	611.1	5,689.4	5,409.0	5.2
Plate	25.9	24.9	240.9	227.4	5.9
Foil	70.4	76.4	670.3	723.7	-7.4
Rod, Bar & Wire	14.2	28.6	190.0	225.7	-15.8
Elec. Conductor	58.1	53.0	536.3	492.1	9.0
Extruded Shapes, Tube	225.1	245.7	2,059.1	2,081.8	-1.1
Powder & Paste	8.7	8.2	71.9	66.2	8.6
Forgings & Impacts	13.0	13.3	120.1	127.2	-5.6
Net Imports of Mill Products (Total) (a)	44.4	75.2	480.1	698.2	-31.2
Total Mill Products	1,061.9	1,136.5	10,058.2	10,051.5	0.1
Ingot	312.2	273.2	2,293.7	2,331.1	-1.6
TOTAL INDUSTRY SHIPMENTS	1,374.2	1,409.7	12,351.9	12,382.5	-0.2
Exports	187.7	165.5	1,685.1	1,244.7	35.4
TOTAL DOMESTIC SHIPMENTS	1,186.4	1,244.2	10,666.8	11,137.9	-4.2

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

NET NEW ORDER RECEIPTS DOWN 6.8 PERCENT

Estimated net new order receipts of aluminum mill products for ten months of 1989, totaling 10,533 million pounds, declined 6.8 percent from a ten month 1988 total of 11,303 million pounds. October order receipts of 828 million pounds decreased 5.2 percent from a September 1989 figure of 873 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1989 October	1988 October	1989 10 Mos.	1988 10 Mos.	% Change 1989 vs 1988
Sheet & Plate, Other	236.4	346.1	3,432.5	3,737.1	-8.2
Can Stock (a)	181.3	362.3	3,077.8	3,305.7	-6.9
Foil	86.7	108.3	843.5	910.9	-7.4
Bar, Rod & Wire	39.3	24.7	351.9	383.0	-8.1
Electrical Conductor	55.0	82.1	559.0	666.3	-16.1
Extruded Shapes & Tube	203.7	202.8	2,043.2	2,069.5	-1.3
Powder & Paste	8.1	10.7	94.2	101.6	-7.3
Forgings & Impacts	17.1	13.6	130.7	129.1	1.2
Total Mill Products	827.6	1,150.6	10,532.8	11,303.2	-6.8

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES DOWN 143 MILLION POUNDS

Producer inventories decreased in September 1989 to a reported total of 4,182 million pounds. This represents a 143 million pound decline from the August 1989 level of 4,325 million pounds.

Month-End Aluminum Producer Inventories - By Type of Producer
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
July	4,474	1,660	642	2,172
August	4,325r	1,535r	637r	2,152r
September	4,182	1,486	653	2,043

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 33.8 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of September 30, 1989 was 33.8, up 0.6 percent from inventories reported at the end of August 1989.

Month-End Aluminum Customer Inventories
(Average Number of Days)

July	33.3
August	33.6
September	33.8

Source: Aluminum Association - Customer Inventory Position Survey

---

U.S. IMPORTS & EXPORTS (Millions of Pounds)		1989* September	1988 September	1989* 9 Mos.	1988 9 Mos.	% Change 1989 vs 1988
Imports	Mill Products	67.1	76.5	731.6	755.2	-3.1
	Ingot	184.4	203.2	1,658.7	1,783.4	-7.0
	Total	251.5	279.7	2,390.3	2,538.6	-5.8
	Scrap (+ dross)	39.8	41.7	364.3	343.5	6.0
	Grand Total	291.4	321.4	2,754.6	2,882.1	-4.4
Exports	Mill Products	85.8	79.6	863.7	637.3	35.5
	Ingot	102.0	85.9	821.4	607.4	35.2
	Total	187.7	165.5	1,685.1	1,244.7	35.4
	Scrap	117.3	93.0	964.6	764.8	26.1
	Grand Total	305.1	258.4	2,649.7	2,009.5	31.9
Net Imports		-13.7	62.9	104.8	872.7	-88.0

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Data may not be comparable to previous years due to changes in trade classifications effective January 1, 1989